

Message Text

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ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 EB-11 AID-20 CEA-02 CIAE-00

COME-00 EA-11 FRB-02 INR-10 NEA-10 NSAE-00 RSC-01

OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00

FMC-04 CG-00 COA-02 DOTE-00 L-03 TAR-02 AGR-20 OIC-04

STR-08 SS-15 NSC-10 RSR-01 /197 W

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FM USMISSION OECD PARIS

TO RUZGXSECSTATE WASHDC 322

INFO AMEMBASSY LONDON

USMISSION GENEVA

AMEMBASSY BONN

AMEMBASSY STOCKHOLM

UNCLAS SECTION 1 OF 2 OECD PARIS 19581

E.O. 11652: N/A

TAGS: ETRN, OECD

SUBJECT: MARITIME TRANSPORT COMMITTEE MEETING , JULY 12-13, 1973

REF: A. STATE 134616 B. MT/A(73)2, 1ST REVISION

SUMMARY: ALTHOUGH SUBJECT MEETING PRODUCED NO SURPRISIE
EVELOPMENTS, A NUMBER OF DEVELOPMENTS AND DECISIONS WERE
OF IMPORTANCE FOR THE US. MOST NOTABLE WERE THE REPORT
THAT THE COUNCIL OF EUROPE MIGHT MEET TO DISCUSS THE
POSSIBILITY OF ESTABLISHING A COMMON EUROPEAN SHIPPING
POLICY: THE IMPLEMENTATION BY THE FRG OF REGULATIONS
REQUIRING REVIEW AND APPROVAL OF ALB POOLING AGREEMENTS TO
WHICH GERMAN STEAMSHIP LINES ARE A PARTY, AND THE CONCERN ABOUT
US OIL IMPORT LEGISLATION ON THE PART OF SEVERAL MEMBER COUNTRIES.
THE WORKING GROUP ON CONTAINER TRANSPORT WAS REACTIVATED UNANIMOUSLY
AND GIVEN A NEW MANDATE TO COORDINATE POSITIONS ON A CONVENTION
ON INTERNATIONAL INTERMODAL TRANSPORT.
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YUGOSLAVIA DID NOT ATTEND THE MTC MEETING. IT SHOULD BE RECALLED
THAT THEY ASKED TO SEND AN OBSERVER TO MTC MEETINGS, AND THE SECGEN
AGREED, WITH THE CONDITION THAT THEY WOULD NOT BE PRESENT FOR AGENDA
ITEMS RESTRICTED TO MEMBER COUNTRIES (UNCTAD AND SHIPPING POLICY

MATTERS).

FORTHCOMING MEETING ARE SCHEDULED AS FOLLOWS: MARITIME TRANSPORT COMMITTEE, OCTOBER 1, SPECIAL GROUP ON UNCTAD SHIPPING QUESTIONS, OCTOBER 2-6, AD HOC GROUP ON FLAGS OF CONVENIENCE, OCTOBER 8, AND WORKING GROUP ON CONTAINER TRANSPORT (INTERMODALISM), OCTOBER 9.

SIGNIFICANT DEVELOPMENTS ON AGENDA ITEM MT/A (73)2
1ST REV. FOLLOW END SUMMARY.

1. JURGEN WORM (DENKARK) WAS REELECTED TO CHAIR THE MTC MEETING, BRIGSTOCKE (UK) AND BOADO (SPAIN) WERE CHOSEN TO FILL THE TWO VICE-CHAIRMAN POSITIONS.

2. SHIPPING SITUATION AND DEVELOPMENTS IN THE FREIGHT MARKET (MT(73)4).

SECRETARIAT PROVIDED ORAL BRIEFING ON MOST RECENT DEVELOPMENTS IN LIEU OF ADDENDUM. CHARTER RATES REACHED THEIR HIGHEST LEVEL YET IN JUNETEND WHILE THE US RESTRAINTS ON EXPORTS OF SOYBEANS.. AND SOME SLECKENING IN GRAIN SHIPMENTS HAVE CAUSED A SLIGHT DECLINE IN RATE LEVELS , IT WAS TOO EARLY TO DETERMINB WHETHER THE UPWARD TENDENCY HAD REVERSED ITSELF. THE MOVEMENT OF TANKERS INTO THE GRAIN TRADE WAS SAID TO BE CAUSING REPERCUSSIONS IN THE OIL TRADE.

3. GENERAL DEVELOPMENTS (MT(73)5)

DISCUSSION FOCUSSED ON THE ANNEX OF ADDENDUM 1 WHICH REPORTS THE SCANDINAVIANS MOTION IN THE COMMITTEE OF MINISTERS OF THE COUNCIL OF EUROPE TO CONVENE A CONFERENCE OF MEMBER COUNTRIES FOR THE PURPOSE OF ESTABLISHING A CMMMON EUROPEAN SHIPPING POLICY. ALTHOUGH IT HAS NOT BEEN DECIDED WHETHER THE PROPOSED CONFERENCE WILL TAKE PLACE, THE CSG HAS AGREED TO MEET ON THIS MATTER IN THE LAST WEEK IN SEPTEMBER . OTHER MEMBERS OF THE COUNCIL OF EUROPE WERE CAUGHT OFF GUARD BY THE SCANDINAVIAN MOTION. THE SCANDINAVIANS APPEARED TO BE EXASPERATED BY EUROPEAN INABILITY TO COUNTERACT EFFECTIVELY DISCRIMINATORY SHIPPING MEASURES BY LDCS, PARTICULARLY IN LATIN AMERICA.

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4. FLAGS OF CONVENIENCE (DAF/MTC/73.28)

SEVERAL DELEGATIONS, GREECE IN PARTICULAR, REQUESTED THE POSTPONEMENT OF THE DEADLINE FOR THE RECEIPT OF THE QUESTIONNAIRE AND OF THE FALL MEETING OF THE AD HOC GROUP UNTIL EARLY 1974 BECAUSE THE HEAVY WORKLOAD OF UNCTAD AND IMCO PREPARATIONS MADE IT DIFFICULT FOR THEM TO COMPILE THE REQUESTED INFORMATION. THE COMMITTEE AGREED THAT MEMBERS SHOULD TRY TO SUBMIT THE QUESTIONNAIRES AS SOON AS POSSIBLE AND THAT SITUATION WOULD BE REVIEWED AT THE FALL MEETING OF THE AD HOC GROUP. AT THAT TIME THE GROUP ALSO WILL SELECT A NEW CHAIRMAN TO REPLACE KALTENBACH OF FRANCE, WHO WILL NO LONGER BE AVAILABLE.

5. ANNUAL REPORT OKDAF/MTC/73.29)

THE SECRETARIAT FELT THE DATA ON THE ROLE OF SHIPPING IN NATIONAL

ECONOMIES RECEIVED SO FAR WAS INSUFFICIENT FOR THE SPECIAL CHAPTER ENVISAGED FOR THE 1973 ANNUAL REPORT. THE COMMITTEE WAS UNENTHUSIASTIC ABOUT ASKING THEIR GOVERNMENTS TO SUBMIT ALTERNATIVE TEXTS. THE SECRETARIAT ASKED MEMBERS TO CONSIDER FORWARDING RECENT SPECIAL REPORTS OR PAPERS ON SHIPPING MATTERS FOR POSSIBLE INCLUSION IN THE ANNUAL REPORT. ANOTHER ALTERNATIVE MENTIONED WAS A FLAG OF CONVENIENCE CHAPTER BASED ON DATA GATHERED BY THE AD HOC GROUP.

6. SHIPPING POLICY MATTERS (DAF/MTC/73.10 W/ADDENDUM)
THE DISCUSSION ON SHIPPING POLICY MATTERS, OTHER THAN
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THE USUAL UP-DATING OF DEVELOPMENTS IN NON OECD AREAS, WAS CONCENTRATED MAINLY ON RECENT DEVELOPMENTS IN (A) THE US, (B) GERMANY AND (C) BILATERAL SHIPPING ARRANGEMENTS WITH THE SOVIET UNION.

(A) THE US DELEGATION REPORTED ON THE OUTCOME OF THE MAY US-USSR MEETING UNDER THE MARITIME AGREEMENT, INCLUDING ARRANGEMENTS FOR HIGHER BULK FREIGHT RATES FOR AGRICULTURAL COMMODITIES, CLARIFICATION OF LINER SERVICE TERMS, GREATER UTILIZATION OF TANKERS, DEEPER SHIPPING CHANNELS IN CERTAIN SOVIET PORTS, HIGHER DEMURRAGE RATES AND PLANS TO DISCUSS THE PARTICIPATION OF AMERICAN FIRMS IN INSURING US-USSR CARGO MOVEMENTS. THE STATISTICAL BREAKDOWN OF THE CARRIAGE

OF U S GRAIN TO THE SOVIET UNION COVERING THE PERIOD JULY 1, 1972 TO JULY 3, 1973 SHOWED THAT THIRD FLAG CARRIERS TRANSPORTED 70 PERCENT OF 15,265,208 LT, WITH THE US AND SOVIET UNION CARRIAGE DIVIDED ALMOST EQUALLY AT 14.6 AND 15.7 UNCLASSIFIED

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PERCENT RESPECTIVELY. DATA ON LINER PARTICIPATION COVERING THE NOVEMBER 22-FEBRUARY 28 PERIOD INDICATED THIRD FLAGS CARRIED 15,825 LT OUT OF A TOTAL OF 19,315 LT OF US GOODS EXPORTED TO THE SOVIET UNION; THE US IMPORTED 2,788 LT OF WHICH THIRD FLAGS TRANSPORTED 2,340 LT. OTHER BULK CARGOES AMOUNTING TO 94,440 LT WERE CARRIED EXCLUSIVELY ON THIRD FLAG VESSELS. US ALSO REPORTED ON THE STATUS OF LEGISLATION BEFORE THE CONGRESS INCLUDING THE OIL IMPORT, INTERMODAL AND SUPERPORT BILLS. CONSIDERABLE INTEREST WAS EXPRESSED ABOUT THE CHANCES OF PASSAGE FOR THE OIL IMPORT LEGISLATION.

(B) THE FRG ANNOUNCED THAT IT HAD IMPLEMENTED REGULATIONS MAY 26 REQUIRING ALL POOLING AGREEMENTS INVOLVING GERMAN STEAMSHIP LINES TO BE REVIEWED AND APPROVED BY THE MINISTRY OF TRANSPORT. THE REGULATIONS WERE EFFECTED TO ASSIST GERMAN SHIPOWNERS IN DISCUSSIONS WITH COUNTRIES THAT HAVE ADOPTED DISCRIMINATORY SHIPPING POLICIES. APPROVAL WILL BE GRANTED ONLY IF COMPETITORS IN A TRADE ARE NOT EXCLUDED. WHILE THERE ARE NO PROVISIONS FOR SANCTIONS, ANY AGREEMENT NOT APPROVED IS NULL AND VOID UNDER GERMAN LAW. IN RESPONSE TO NORWAY THE GERMAN DELEGATE STATED THE REGULATIONS WERE NOT INCONSISTENT WITH THE FRG SUPPORT OF THE CODE OF LIBERALIZATION, SINCE IT WAS ENVISAGED THAT THE NEW REGULATIONS WOULD APPLY ONLY TO POOLING AGREEMENTS COVERING UNRESERVED CARGOES IN A TRADE.

(C) THE SWEDISH DELEGATE'S ANNOUNCEMENT THAT ITS MARITIME AGREEMENT WITH THE SOVIET UNION HAD BEEN RATIFIED AND IMPLEMENTED PROMPTED AN EXCHANGE OF VIEWS ON THE ADVISABILITY OF MARITIME ARRANGEMENTS WITH THE USSR BASED ON THE SWEDISH FORMULA. DENMARK HAS JUST NEGOTIATED A SIMILAR AGREEMENT AND A NUMBER OF OTHER EUROPEAN COUNTRIES (FINLAND, NORWAY AND GERMANY) MAY FOLLOW SUIT SHORTLY. THE SWEDISH FORMULA WAS LOOKED UPON AS A COMPROMISE AND "SECOND BEST" SOLUTION NECESSITATED BY THE SPECIAL STRUCTURE OF A SOCIALIST STATE SUCH AS THE SOVIET UNION; THE FORMULA AIMS AT FACILITATING THE OPERATIONAL ASPECTS OF SHIPPING AND INCLUDES A BILATERAL TECHNICAL COMMITTEE TO DISCUSS AND RESOLVE SHIPPING OBSTACLES.

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7. CONSULTATIONS ON SHIPPING POLICY (DAF/MTC/73.30)

WITH REGARD TO THE CONSULZATION ERCISE SCHEDULED FOR THE NEXT MTC MEETING, THE SECRETARIAT EXTENDED THE DEADLINE FOR RECEIPT OF QUESTIONS TO AUGUST 1, BUT URGED EARLIER RESPONSE IF AT ALL POSSIBLE.

8. UNCTAD

(A) REPRESENTATIVES FROM SWEDEN, THE UK, AND GERMANY WHO ATTENDED THE 2ND SESSION OF THE PREPCOM ON CODE OF CONDUCT MADE ORAL PRESENTATIONS AMPLIFYING REPORT DAF/MTC/73.32. UK AND JAPAN CONSIDER THE RESULTS SATISFACTORY AND A GOOD BASIS FOR NEGOTIATION. FRANCE EMPHASIZED GROUP OF 77 POSITION ON CODE NOT MONOLITHIC AND THAT A NUMBER OF LDCS (CHILE, ZAIRE, NIGERIA, IVORY COAST) HAVE INDICATED WILLINGNESS TO ACCEPT MORE REALISTIC SOLUTIONS. SWEDISH AND DUTCH REPS PUSHED IDEA OF NEED FOR COMPROMISE. THERE WAS GENERAL ACCEPTANCCE BY THE COMMITTEE OF THE SUGGESTED AGENDA FOR THE NEXT SPECIAL GROUP MEETING IN THE ANNEX DAF/MTC/73.32 AND AGREEMENT ON A PREVIOUS US RECOMMENDATION THAT POLICY DECISIONS FIRST BE MADE ON AGENDA ITEMS AND THE LEGAL ASPECTS WORKED OUT THEREAFTER. MEMBER COUNTRIES WERE REQUESTED TO FORWARD VIEWS ON THE VARIOUS AGENDA ITEMS FAR ENOUGH IN ADVANCE TO FACILITATE THEIR CONSIDERATION PRIOR TO THE MEETING.

(B) UK REP REPORTED UNCTAD STUDY CONCERNING THE EFFECTS ON DEVELOPING COUNTRIES OF THE TYING OF SHIPMENTS OF AID CARGOES TO SPECIFIC FLAGS HAD BEEN PUBLISHED IN TD/B/C.4/107 AND WOULD MOST LIKELY BE PART OF AGENDA OF UPCOMING 6TH SESSION OF UNCTAD COMMITTEE ON SHIPPING, OCTOBER 16-26. UK FORESEES TWO ISSUED DEVELOPING FROM STUDY--DEMAND THAT AID GOODS SHOULD BE CARRIED IN SHIPS OF DEVELOPING COUNTRIES AND THAT ALL AID SHIPMENTS SHOULD BE UNTIED.

(C) IN ADDITION TO US, UNCTAD RICE QUESTIONNAIRE AND LIST OF ADDRESSES WERE RECEIVED BY UK, FRG, NETHERLANDS AND JAPAN.

BRITISH RESPONSE THAT UNCTAD CONTACT ADDRESSEES DIRECTLY, SIMILAR TO US REPLY. DUTCH AND GERMANS MAINTAIN UNCTAD POLICY MATTERS AFFECTING THEIR PRIVATE SECTORS MUST BE UNCLASSIFIED

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TRANSMITTED TO THEIR FOREIGN MINISTRIES FOR CONSIDERATION.

(D) BY UNANIMOUS AGREEMENT MTC REACTIVATED WORKING GROUP ON CONTAINER TRANSPORT WITH NEW MANDATE TO HANDLE COORDINATION OF OECD POSITION ON PREPARATION OF INTERMODAL CONVENTION. CREATION OF NEW SPECIAL GROUP ON INTERMODALISM WAS CONSIDERED INADVISABLE DUE TO BUDGETARY AND INTERNAL OECD ADMINISTRATIVE DIFFICULTIES. NEW MANDATE OF WORKING GROUP WILL BE "TO COORDINATE POSITION OF MEMBER COUNTRIES WITH RESPECT TO THE ELABORATION OF A CONVENTION ON INTERNATIONAL

INTERMODAL TRANSPORT, IN PARTICULAR WITH REGARD TO MARITIME
TRANSPORT, AND TO REPORT TO MTC AS APPROPRIATE." MANDATE IS
INTERPRETED AS NOT PRECLUDING CONSIDERATION OF POSSIBLE
OPEN PROCEDURES OUTSIDE UN FRAMEWORK. HOWEVER, DOUBTS WERE
EXPRESSED ON WISDOM OF ANY INTERIM AGREEMENT OR
MINI-CONVENTION WHICH MIGHT ANTAGONIZE DEVELOPING COUNTRIES.
POSSIBILITY OF COMMERCIAL ARRANGEMENT BY PRIVATE SECTOR WAS
ALSO NOT RULED OUT.BROWN

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